

# Contribution Rate Adoption – July 28, 2010

## Background – 2008 Contribution Rate Adoption

Four Options – Entry Age Normal Cost (EANC)	Member	Employer	State
1. Experience study assumptions only	8.20%	4.92%	3.28%
2. Experience study assumptions with a decrease in the salary assumption	7.97%	4.78%	3.19%
3. Experience study assumptions with a decrease in the salary assumption & with improved mortality assumptions	8.21%	4.93%	3.28%
<b>4. Experience study assumptions with improved mortality assumptions</b>	<b>8.45%</b>	<b>5.07%</b>	<b>3.38%</b>

Board chose option 4 and that the rate be fixed for four years (7/1/09 through 6/30/12).

At the July 22, 2009 meeting, the Board approved a supplemental contribution rate increase of 0.01% member and employer to fund the cost of SHB 1953 (Transfer of service credit for Fish & Wildlife Enforcement Officers).

### Current Contribution Rate (effective as of 9/1/09)

Member	Employer	State
8.46%	5.08%	3.38%

The supplemental rate for SHB 1953 is effective through 6/30/11.

## 2010 Contribution Rate Adoption Options

Options – Entry Age Normal Cost (EANC)	Member	Employer	State
1. No action – continue with current rates through 6/30/13	8.45%	5.07%	3.38%
2. Continue current rates through 6/30/17	8.45%	5.07%	3.38%
3. Rates based on 100% of EANC from 2009 actuarial valuation	8.23%	4.94%	3.29%
4. Rates based on 90% of EANC from 2009 actuarial valuation	7.42%	4.46%	2.96%

If option 3 or 4 is chosen then the Board must adopt a supplemental contribution rate increase of 0.09% member, 0.06% employer and 0.03% state.

Supplemental Contribution Rate - 2010	Member	Employer	State
EHB 2519 – Duty-Related Death Benefits	0.05%	0.03%	0.02%
SHB 1679 – Catastrophic Disability Medical Ins.	0.04%	0.03%	0.01%

Medical reimbursement rates will not be adopted today. Those rates will be adopted by the Board later this interim.

The Board adopted a modified option # 2 with a member rate of 8.46%, employer rate of 5.08% and a State rate of 3.38%, but with the same extended time period.